



CO-OPERATIVE FEDERATION OF VICTORIA LTD.

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TO: Ministerial Advisory Committee on Co-operation
FROM: W. W. Rawlinson

Comments on Discussion Paper

presented to meeting of

9th February 1984

Para 14. COMMUNITY ADVANCEMENT CO-OPERATIVES

At 31st December 1983 there were 1,022 Community Advancement Societies registered, 654 being in the Metropolitan area, the balance in country Victoria.

Government Guarantees under Section 219 of the Co-operation Act 1981 have been provided for

279 School-based Community Advancement Co-operatives

366 Other community Community Advancement Co-operatives

Whilst these may be regarded as Co-operatives of convenience - to obtain the facility of Government guarantee nevertheless they have provided valuable community development.

Advantage has not been taken by the Co-operative Societies Advisory Council and the Victorian Government of this introduction to Co-operative structure and operation in schools as an educational tool to create a vital knowledge of the meaning - benefits and responsibilities of the Co-operative alternative for students. With such knowledge, school leavers would be better equipped for adult life to assess for themselves the relative merits of the private profit motivated business structure and the equitable structure of co-operative business.

Para 21. PROMOTION OF CO-OPERATIVE SECTOR IN VICTORIA

The Co-operative Federation of Victoria's proposals referred to in general terms provide for

- (1) Preparation of promotional film and/or video programme on

Co-operatives in general

Broad coverage of the varied Co-operative
sector in Victoria

Role of Registry - Government

Role of the Federation - non Government

- (2) Preparation of training and education material
related to

Definition and Philosophy of Co-operatives

How to Start a Co-operative

Structure of Co-operatives compared to
other business structures

Co-operative Director's Handbook

Co-operative Chairperson's Guide

Employment Co-operatives

Child Care Co-operatives

Rental Housing Co-operatives

Community Settlement Co-operatives

Community Advancement Co-operatives

etc.

- (3) Promotion of the Minister administering Co-operative
Legislation and the Registry

At present all letterheads, stationery and
exchange operators emphasise the Ministry
of Housing.

It is considered the public's confusion in
understanding they are dealing with a
section of a Department and a Minister's partial
responsibility specifically established to service
Co-operative needs should be cleared.

Better identification is needed.

Para 25. PROFIT RETURNED TO MEMBERS

The use of the word 'returned' could be misleading. Surplus from
the operations of a Co-operative BELONGS to members. It may be
either allocated to reserve funds collectively owned by the members,
or

It may be applied for some capital development project of the
Co-operative for member benefit, or

It may be returned to members in proportion to their patronage
of the Co-operative and their individual contribution towards
the generation of that surplus. It may be returned in cash,
bonus shares, revolving fund type fixed term debentures or as
directed by the Board in the light of the Co-operative's

financial circumstances.

Para 27. ...WORKERS CAN DO WITHOUT THE BOSS

Co-operatives are democratic organisations and, as such, members elect a board of directors with responsibility for policy decision making. Any enterprise, to be successful, must have a responsible head to which input by members can be fed.

Para 30.31. REGISTRAR

The role of the Registrar is seen to be an active one - active in meeting the requirements of Co-operatives as well as anticipating needed corrective action. It is considered the Registrar should be subject to direction and control by the Minister.

Para 35. SEPARATE LEGISLATION FOR CREDIT CO-OPERATIVES

Whilst Victoria is one of the few States to retain Credit Co-operatives within the overall Co-operative Act it is considered by the writer and by Victorian Credit Co-operatives that the best interests of Credit Co-operatives is served by remaining under this umbrella legislation.

Should the role of Credit Co-operatives change from consumer orientation to one more related to an overall Co-operative Credit Financial Institution then this attitude might be reviewed.

Para 41. ROLE OF CO-OPERATIVE SOCIETIES ADVISORY COUNCIL

It is agreed that the approval of individual recommendations for guarantees under Section 219 of the Co-operation Act should be changed to approval of guidelines within which the Registrar could act.

In the light of comments made on Paras. 30 and 31 it is considered this Council, properly constituted could have a useful role in tendering advice to the Registrar, meeting as and when required. It is not seen as being superseded by the Ministerial Advisory Committee on Co-operation.

Para 49. MINISTERIAL CONTROL OF INTEREST RATES

In the view of the writer the less control government exercises on interest rates set by Co-operatives the better. There is concern at the potential for excessive competition, rather than inter co-operation, if two differing types of Co-operative set up for differing purposes extend their operations into each others territory whilst competing for the same product source.

Para 51. ...A FIFTH REGISTRY

If the Registry of Co-operatives is to be regarded as either a Division or Department, then it is considered there should be one Registrar with Deputies appointed to administer the various specialist 'sections' within that Division.

Para 54. CO-OPERATIVES FOR ABORIGINALS

It is accepted that Aborigines have special needs but a proposal to dilute the basic principles of Co-operation and business practice standards for such needs cannot be supported.

Establishment of secondary level Co-operatives to provide accounting and education services is considered a more practical solution both in terms of preserving true Co-operative identity and uplifting standards of Aboriginal participants.

If Co-operative standards cannot be met then alternative structures would be better.

Para 55. INDUSTRIAL AND PROVIDENT SOCIETIES

Proposals for transfer of true Co-operatives incorporated under this Act to transfer to the Co-operation Act are supported.

W. W. RAWLINSON.

Melbourne

27th February, 1984.